

## Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 EB-07 FAA-00 DOTE-00 L-03 COME-00  
SS-15 NSC-05 /040 W  
-----097071 181003Z /13  
R 180817Z JUL 77  
FM USLO PEKING  
TO SECSTATE WASHDC 8206  
INFO AMCONSUL HONG KONG  
AMEMBASSY TOKYO

C O N F I D E N T I A L PEKING 1458

E.O. 11652: GDS  
TAGS: EAIR, CH, US

SUBJ: PAN AM VISIT TO CHINA

REF: STATE 153829

1. SUMMARY: PAN AM CHAIRMAN SEAWELL AND PARTY HAD  
A SUCCESSFUL VISIT TO PEKING JULY 14-18. PAN AM'S  
PROPOSALS FOR AN EXPANDED AVIATION RELATIONSHIP WERE  
PUT OFF BY PRC UNTIL AFTER NORMALIZATION, BUT ITS  
TOURISM PROPOSALS RECEIVED A CONCRETE RESPONSE.  
END SUMMARY.

2. PAN AMERICAN BOARD CHAIRMAN WILLIAM T. SEAWELL,  
ACCOMPANIED BY MEMBERS OF HIS FAMILY, PAN AM VICE  
PRESIDENT JAMES O. LEET, PAN AM VICE PRESIDENT  
WILLIAM H. WALTRIP, MR. SHICHIRO KHKAGAWA, MR.  
JOHN F. SHOEMAKER AND MR. LEE PAY-CHU OF GENERAL  
RESOURCES LIMITED, HONG KONG, VISITED THE PRC  
FROM JULY 8 TO 18. AFTER ARRIVING IN PEKING  
JULY 14, THEY HAD A NUMBER OF TALKS WITH CHINA  
INTERNATIONAL TRAVEL SERVICE AND CAAC. THEIR  
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RECEPTION ON BOTH WAS CORDIAL AND BUSINESSLIKE,  
AND SEAWELL SAID HE WAS PLEASED WITH THE RESULTS.

3. PAN AM'S BUSINESS WAS IN THREE CATEGORIES.  
FIRST, THEY PROPOSED AN "INTERCHANGE" PROGRAM,  
UNDER WHICH PAN AM WOULD LEASE BOEING 747 SP  
AIRCRAFT TO CAAC FOR FLIGHTS FROM PEKING TO TOKYO

AND WOULD FLY FROM TOKYO TO THE U.S. ITSELF.  
SECOND, PAN AM PROPOSED CHARTER FLIGHTS TO  
THE PRC USING PAN AIRCRAFT FOR TOURIST GROUPS  
TO CHINA. CAAC INFORMED PAN AM THAT BOTH THESE  
PROPOSALS WOULD HAVE TO AWAIT NORMALIZATION.

4. A PAN AMERICAN PROPOSAL FOR TOURISM MET WITH  
MORE SUCCESS. AFTER SEVERAL DISCUSSIONS, CITS  
ASKED FOR A PAN AM PROPOSAL BY AUGUST 15 FOR AN  
INITIAL GROUP OF 100 - 120 TOURISTS TO VISIT  
CHINA FROM HONG KONG AND 1,000 -1,500 A YEAR IN  
1978, POSSIBLY INCLUDING BOTH EXIT AND ENTRY  
FROM TOKYO. CITS HAS SPECIFIED THAT THE GROUPS  
SHOULD NOT INCLUDE EITHER PRESS OR OVERSEAS CHINESE  
WHO WISH TO VISIT THEIR RELATIVES (THESE GROUPS ARE  
HANDLED IN OTHER CHANNELS IN THE PRC) OR ANYONE WHO IS  
"INFIRM" AND REQUIRES SPECIAL TREATMENT. ONE  
REASON FOR THE PRC'S INTEREST IN ITS  
DISSATISFACTION AT DEALING WITH LARGE NUMBERS  
OF TRAVEL AGENTS.

5. SHORTLY BEFORE LEAVING, SEAWELL PRESENTED  
A LETTER TO THE PRC REQUESTING OVERFLIGHT OF  
KWANGTUNG, KWANGSI AND YUNNAN IN THE PRC  
ON A ROUTE FROM HONG KONG TO NEW DELHI. THE  
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CHINESE MADE NO COMMITMENT ON THIS OVERFLIGHT  
BUT CHANG NI-JUNG, DEPUTY DIRECTOR OF CAAC'S  
INTERNATIONAL DEPARTMENT, IS REPORTED TO HAVE  
SAID THAT CAAC WOULD HAVE TO CHECK "CHAIRMAN  
MAO'S DIRECTIVES" TO SEE IF THERE WERE A  
PROHIBITION AGAINST SUCH A MOVE PRIOR TO  
NORMALIZATION.

6. SHORTLY BEFORE LEAVING, SEAWELL RAISED ORALLY  
THE POSSIBILITY OF PAN AM'S NEW NON-STOP SAN  
FRANCISCO TO HONG KONG FLIGHT UTILIZING WHITE  
CLOUD AIRPORT IN CANTON AS AN ALTERNATE EMERGENCY  
LANDING FIELD "TO AVOID HAVING TO FLY TO MANILA".  
THE INFORMAL CHINESE RECEPTION OF THIS PROPOSAL  
WAS POSITIVE AND SEAWELL BELIEVES THAT THERE IS  
SOME POSSIBILITY OF THE CHINESE ACCEPTING IT.

7. SEAWELL RAISED THE POSSIBILITY, WHICH HE SAID  
HAD BEEN MENTIONED TO LEE PAY-CHU BY  
CHANG, OF HAVING SECRETARY VANCE SUPPORT  
OVERFLIGHT AND EMERGENCY LANDING RIGHTS IN  
CANTON. WE AGREED TO FORWARD THEIR COMMENTS

TO DEPARTMENT, AND PAN AM INTENDS TO FOLLOW  
UP IN WASHINGTON.

8. COMMENT: THE PRC'S INTEREST IN U.S.  
TOURISM GOES BEYOND OUR OWN EXPECTATIONS.  
WE DO NOT EXPECT THE PRC TO ACTUALLY AGREE  
TO ANY OF PAN AM'S OVERFLIGHT, CHARTER, OR  
INTERCHANGE PROPOSALS PRIOR TO NORMALIZATION  
ALTHOUGH EMERGENCY LANDING RIGHTS AT WHITE  
CLOUD AIRPORT IN CANTON REMAIN A POSSIBILITY.

9. SEAWELL STRESSED THE PROPRIETARY NATURE  
OF THIS INFORMATION. IT SHOULD NOT BE DISCUSSED  
OUTSIDE THE USG.  
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## Message Attributes

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**TAGS:** EAIR, BTRA, CH, US, PANAM, (SEAWELL, WILLIAM T)  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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